



# **Annual Gateway Vehicle Inspection Program Report - Fiscal Year 2015**

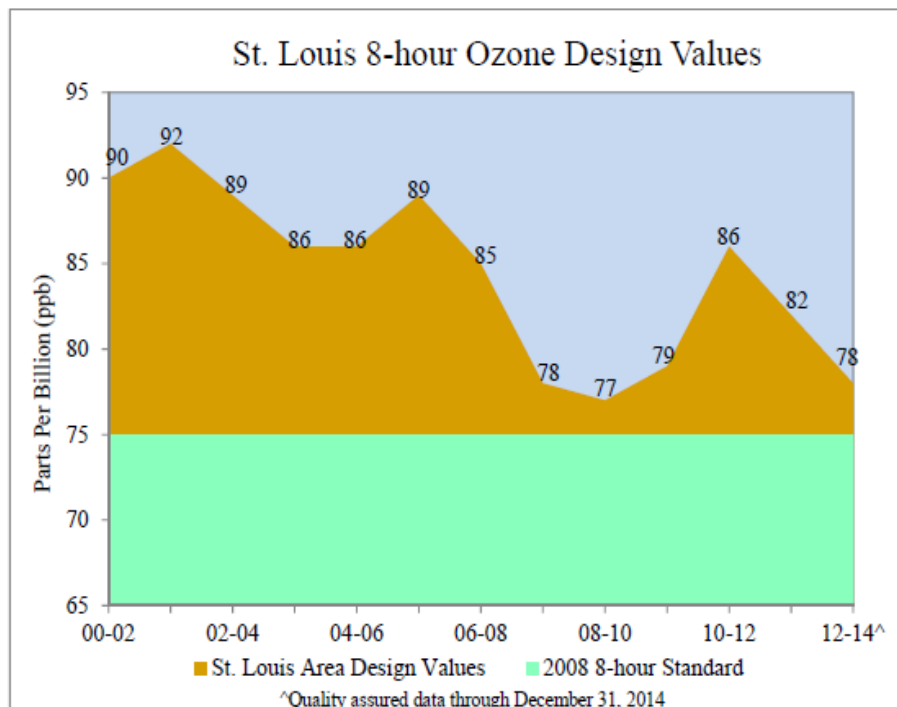
## Introduction

Pursuant to RSMo. 643.337.2, the Missouri Department of Natural Resources and the Missouri State Highway Patrol are issuing a joint annual report to the General Assembly on the status of the oversight measures implemented for the decentralized Inspection/Maintenance program – the Gateway Vehicle Inspection Program (GVIP). This report summarizes GVIP compliance and incidents of fraud discovered during the 2015 Fiscal Year (July 1, 2014-June 30, 2015). This report also provides our joint recommendations for oversight improvements to the GVIP.

## Background

The GVIP is a federally required air pollution control strategy in the St. Louis ozone nonattainment area comprised of Franklin, Jefferson, St. Charles, and St. Louis counties and the City of St. Louis.

Since the 1980s, the Department has overseen an Inspection/Maintenance program for vehicles located in the St. Louis area. The program originated as a decentralized program, became centralized in 2000, and then reverted to a decentralized program in 2007 with the beginning of GVIP.



The Missouri Air Conservation Commission promulgated 10 CSR 10-5.381, “*On-Board Diagnostics Motor Vehicle Emissions Inspections*,” effective August 30, 2007. This rule established state regulations that the Department and Highway Patrol currently use to oversee and enforce the GVIP emission inspection requirements with assistance from the state’s contractor, Opus Inspection. The Department is the lead agency for emissions inspections and the Highway Patrol is the lead agency for safety inspections. The GVIP began collecting vehicle emissions and safety inspection data on October 1, 2007.

## Station Licensing

As of June 2015, there was an average of 838 public and 20 private or government active licensed GVIP stations. There were also approximately 4,694 licensed inspector/mechanics. A current directory of licensed GVIP stations is on our website at [www.dnr.mo.gov/gatewayvip/repair/index.html](http://www.dnr.mo.gov/gatewayvip/repair/index.html).

## **Vehicle Inspection Data**

Each licensed GVIP station performs vehicle inspections using a Missouri Decentralized Analyzer System. This system sends real-time inspection information from inspection stations directly to the GVIP Vehicle Inspection Database. The Department, Highway Patrol, Department of Revenue (DOR), and contract license offices have access to the database through secure, dedicated Internet connections. During FY2015, GVIP stations conducted 795,472 initial emissions inspections and 814,439 safety inspections.

Previous testing programs identified already polluting vehicles, which resulted in costly repairs. Instead, GVIP identifies vehicle problems before needing major repair. This results in a final compliance rate of 97 percent for emission tested vehicles in the St. Louis area. Only 23,162 vehicles failed their initial emissions test.

### *Emissions Waivers and Exemptions*

10 CSR 10-5.381(3)(K) enables the Department to issue waivers and exemptions from GVIP requirements. Just like inspection results, waivers and exemptions issued by the Department are available for real time verification by DOR, contract license offices and online registration via the Vehicle Inspection Database.

- *Cost-Based Waivers* – granted by the Department if a motorist spends a specified amount on emissions-related repairs after failing an initial emissions inspection and is still not able to pass the emission test. During FY2015, the Department issued 575 Cost-Based waivers.
- *Out-of-Area Waivers* – granted by the Department for vehicles that are taxed within the ozone nonattainment area but not driven in the area during the registration period. For FY2015, the Department issued 194 Out-of-Area waivers.
- *Reciprocity Waivers* – granted by the Department for vehicles that are taxed within the ozone nonattainment area but are located in another state and has passed an equivalent emission inspection in that state. For FY2015, the Department issued 8 Reciprocity waivers.
- *Mileage Based Exemptions* – granted by the Department for vehicles with documented odometer readings to meet various mileage waiver criteria. For FY2015, the Department issued 1,647 Mileage-Based exemptions.

## **Data Oversight Methods**

### *Real Time Inspection Data/Paperless Inspection Verification*

Analyzer units connect to the Vehicle Inspection Database using a dedicated Internet connection. The system's software uploads inspection data to the database where it becomes immediately available to the Department, the Highway Patrol, Opus Inspection, DOR, contract license offices, and the online registration system for inspection verification. This allows license offices to quickly identify fraudulent vehicle inspection reports, deny vehicle registrations, and report issues so an immediate investigation may begin. This investigation includes determining the source of the fraudulent inspection reports, requiring legitimate inspections for the vehicles and prosecuting criminals if necessary.

### *Bulletin Messaging and Documents Menu*

Each analyzer unit includes a messaging system that allows the Department, the Highway Patrol, and Opus Inspection to contact GVIP stations, individually or collectively, to inform inspectors and mechanics about inspection procedures, billing reminders, and software updates. Each unit is also equipped with a documents menu, which stores and prints, comment, waiver, and exemption form, and GVIP regulations and fact sheets. This simplifies the distribution of public information to inspection stations and vehicle owners.

### *Consumer Protection Technical Service Centers*

Cost-Based waivers allow a vehicle to register and operate in failing condition for up to two years. Therefore, the Department strives to ensure repairs made to vehicles receiving a Cost-Based waiver are appropriate and beneficial. Through negotiated contracts, the Department retains the services of approximately 11 vehicle repair facilities to serve as Technical Service Centers. These Technical Service Centers employ Missouri Recognized Repair Technicians who are certified by the National Institute for Automotive Service Excellence in specific areas, specializing in diagnosing the cause of a failing emissions test. These centers serve to:

- Diagnose readiness issues with specific makes and models. This helps identify vehicles requiring special testing circumstances and ease future testing.
- Diagnose vehicles that received repairs but show no signs of improvement.
- Review vehicles and prepare receipts to ensure repairs performed were necessary for the emissions failure and performed as billed.
- Provide motorists with accurate diagnostic information on how best to repair their vehicle to pass an emissions test.

The Department is able to deny Cost-Based waiver requests if reviews show repairs were not appropriate to correct the emissions failure. Many times, the Department works with the shops that performed the initial repairs to reimburse the motorist or provide additional free repairs. The use of Technical Service Centers reduces the number of Cost-Based waivers, thereby minimizing the emissions from waived vehicles while also maximizing the number of fully repaired vehicles.

For FY2015, the Department authorized the review of 24 vehicles by one of these centers.

### **Equipment Oversight Methods**

#### *Laptop Audit Computers with Wireless Internet Access*

Department and Highway Patrol auditors receive laptop computers containing both analyzer software and customized auditing software. These allow auditors to securely access the Vehicle Inspection Database and conduct audits with or without Internet access. Department and Highway Patrol auditors are able to review inspection records for all stations and inspector/mechanics while in the field. Once an audit is complete, Department and Highway Patrol staff managers can immediately review audit results and generate summary audit reports from the inspection database. This allows for a quicker response when identifying fraudulent inspections and procedures.

#### *Digital Cameras*

Each analyzer unit includes a detachable digital camera. The analyzer's software requires licensed inspector/mechanics to photograph the rear license plate, the vehicle identification number plate, and the odometer. The inspector/mechanic attaches these photographs to the

vehicle inspection reports on the inspection database where it is available for review and comparison to previous inspection reports to ensure the vehicle reported matches the vehicle inspected. The Department and Highway Patrol are then able to identify inspector/mechanics taking improper or no photos prior to the inspection.

### *Fingerprint Readers*

Each analyzer unit includes a digital fingerprint reader. The software requires the licensed inspector/mechanics to scan one finger prior to beginning each inspection. This fingerprint scan must match the scan stored in the system for that individual in order to proceed with the inspection. Fingerprint readers in combination with the trigger reports described below have dramatically improved enforcement efficiency by documenting and pinpointing inspector/mechanics conducting improper inspections.

## **Enforcement**

### *Station Audits*

The Department and Highway Patrol conduct overt and covert audits of GVIP stations. During covert audits, the Department uses a fleet of six vehicles altered to fail in order to assess the test effectiveness and to prevent test station fraud. The Highway Patrol also has a vehicle with defects to evaluate the station's safety inspections. During FY2015, Department staff conducted 1,975 overt audits and 972 covert audits of GVIP stations and Highway Patrol staff conducted 5,052 overt audits and 112 covert audits.

### *Trigger Reports*

Once uploaded to the inspection database, the inspection data becomes available to the Department, Highway Patrol, DOR, and Opus Inspection via an Internet-based Reporting Suite. The Reporting Suite contains general informational reports along with "trigger reports" designed to identify emissions or safety inspection patterns inconsistent with state regulations. When improper inspections occur, the trigger report compiles the evidence into a report used to initiate an investigation. For example, the *OBD VIN Mismatch Report* and the *Protocol Mismatch Report* reveal "clean scanning" violations. Clean scanning is the illegal act of connecting the analyzer cable to a different vehicle than the one identified on the inspection report with the intent of bypassing the required test procedure. The *OBD VIN Mismatch Report* compares the vehicle identification number entered by the inspector/mechanic with the number the vehicle reported through the system. In addition, vehicle manufacturers program every make and model with a certain protocol that the vehicle uses to communicate. The *Protocol Mismatch Report* identifies inspections where the protocol used by the on-board diagnostic is different from the known protocol for the vehicle reported. These two reports are extremely effective in identifying instances of fraudulent inspections.

### *Clean Scanning*

Fraudulent inspection activities such as clean scanning are violations of the Clean Air Act and prosecutable by the U.S. Attorney's Office. The Department and Highway Patrol collaborate with the U.S. Environmental Protection Agency's (EPA) Criminal Investigation Division and the U.S. Attorney's Office on investigations of vehicle inspection fraud and inspection document falsification.

On November 6, 2012, the Missouri Attorney General's Office and the Department officially closed the case file for all actions associated with 63 clean scanning violations that occurred at

Clark's Tire and Auto, LLC (formerly Clark Tire Wholesale). On October 15, 2012, civil penalties against Mr. John Clark, Mr. Jeremy Cook, and Ms. Susan Clark were ordered by default judgment. In July 2012, the Missouri Attorney General's Office, the Department, and Mr. Jeffery Clark, responsible agent for Clark's Tire and Auto, LLC, reached a \$200,000 settlement for 63 clean scan inspections conducted at the facility. The Attorney General and Department agreed to suspend \$180,000 of the penalty provided the facility have no further violations of Missouri Air Conservation Law and regulations for two years. A payment plan broke up the \$20,000 dollar payment into payments of \$476.20. As of June 27, 2015, they have paid \$18,095.60 of the penalty. The following table summarizes GVIP enforcement actions that were resolved during fiscal year 2015.

The following table summarizes GVIP enforcement actions that were resolved by the Department during fiscal year 2015.

Source	Date of Violation	Resolution Date	Violation Description	Penalty Assessment
Sig's Automotive	7/28/14	5/01/2015	Clean scan of 1 vehicle	\$2,000 penalty with \$500 paid and \$1,500 suspended
Jiffy Lube #213	7/28/14	6/05/2015	Clean scan of 1 vehicle	\$2,000 penalty with \$500 paid and \$1,500 suspended
Cintech Automotive Repair	3/22/2014	12/08/2014	Clean scan of 1 vehicle	\$2,000 penalty with \$2,000 suspended
Meineke	2/19/2014	2/19/2015	Clean scan of 1 vehicle	\$2,000 penalty with \$500 paid and \$1,500 suspended
Old Town Automotive	3/20/2014	12/30/2014	Clean scan of 1 vehicle	\$2,000 penalty with \$500 paid and \$1,500 suspended
Alexander Auto Repair	10/10/2013	7/15/14	Clean scan of 1 vehicle	\$2,000 penalty with \$500 paid and \$1,500 suspended
Bommarito Infiniti	10/30/2014	6/17/15	Clean scan of 1 vehicle	\$2,000 penalty with \$2,000 suspended
Dick Dean Economy Cars	03/26/2014	11/19/2014	Clean scan of 1 vehicle	\$2,000 penalty with \$2,000 suspended
Ellisville Firestone	11/02/2013	8/12/2014	Clean scan of 1 vehicle	\$2,000 penalty with \$2,000 suspended
West End Auto Body & Repair	12/23/2014	4/23/15	Clean scan of 1 vehicle	No Further Action

#### *Equipment Lockouts and License Suspensions/Revocations*

The Department and Highway Patrol have the ability to apply an electronic "lockout," which prevents an individual inspector/mechanic or an entire GVIP station from using their analyzer unit(s). For FY2015, the Highway Patrol initiated 490 lockouts including 21 for no photos of

vehicles, 11 lockouts for excessive offline testing, 2 for unauthorized equipment, and 92 for failing the audit. The removal of a lockout occurs upon the completion of the license suspension or the correction of the violation.

In addition to having their analyzers locked out, inspection stations conducting improper inspection activities may have their inspection licenses suspended for up to one year or revoked entirely. The Department and Highway Patrol continuously investigate additional GVIP stations and inspector/mechanics for improper inspection activities.

### **Oversight Results**

The GVIP prevents registration fraud by investigating and identifying individuals producing fraudulent inspection reports. The GVIP implemented an improved auditing system streamlining the Department and Highway Patrol oversight of vehicle emissions and safety inspections. The result of the integrated oversight methods described above is that the Department and Highway Patrol can cost-effectively audit, detect, enforce, and prevent emissions and safety inspection fraud.

### **Recommendations for the Future**

The Department and Highway Patrol continually strive to improve our ability to detect fraud and ensure data integrity. We continue to move forward by identifying areas of possible improvement to the GVIP, including:

- Provide ability for Mileage Based Exemptions to be provided at GVIP inspection facilities through the inspection analyzer by utilizing data already in the inspection system at no charge to the motorist and at no VID fee or authorization fee charged to the shop.
- Continue efforts to seek out and prevent fraudulent inspection procedures in addition to clean scanning violations. With ongoing improvements to the reporting system, and varied covert audit techniques, we continue to improve our ability to identify improper inspections efficiently.
- Continue working with DOR to improve the registration process through identifying and preventing invalid registration obtained with counterfeit inspection reports, ensuring individual licensing offices conduct proper verifications, minimizing problems or confusion with registration of vehicles that are exempted from safety and/or emissions inspections, minimizing issues associated with online registrations and providing additional information regarding exemptions. We will also continue to work with DOR to ensure automobile dealers statewide meet their statutory obligation to inform vehicle purchasers of their rights regarding emissions inspections.
- Continue efforts to coordinate with the Missouri Attorney General's Office Consumer Protection Division and DOR to bring enforcement action against used car dealers who fail to meet the requirements of the statute. RSMo. 643.315.4 requires a dealer to obtain a passing emissions test before sale or clearly state in the sales contract that the purchaser may return the vehicle to the dealer for retest and repair within ten days of sale should the vehicle fail an emissions test.

**Conclusion**

The oversight measures described in this report have elevated the Gateway Vehicle Inspection Program to among the best in the country. Thanks to efforts like GVIP in the St. Louis area, ozone levels have shown a continued decline in recent years. As the program continues, we will have an even greater potential for compliance and enforcement capabilities. The Department and Highway Patrol will continue working with Opus Inspection to enhance the oversight tools needed to identify violations and improve enforcement capabilities. Both agencies will continue to ensure compliance with state statutes and rules, remove violators from the program, and work for the public health and safety by overseeing an inspection program with proven value and integrity.